

OCS PAPERWORK AND REPORTING ACT

APRIL 29, 1986.—Ordered to be printed

Mr. JONES of North Carolina, from the Committee on Merchant Marine and Fisheries, submitted the following

REPORT

[To accompany S. 1068]

[Including cost estimate of the Congressional Budget Office]

The Committee on Merchant Marine and Fisheries to whom was referred the bill (S. 1068) to eliminate unnecessary paperwork and reporting requirements contained in section 15(1) of the Outer Continental Shelf Lands Act, and sections 601 and 606 of the Outer Continental Shelf Lands Act Amendments of 1978, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

PURPOSE OF THE LEGISLATION

The purpose of S. 1068 is to eliminate specific reporting requirements contained in the Outer Continental Shelf Lands Act (OCSLA), Public Law 83-21 (67 Stat 462), as amended by Public Law 95-372 (92 Stat 632), the Outer Continental Shelf Lands Act Amendments (OCSLAA) of 1978.

COMMITTEE ACTION

S. 1068 was introduced on May 3, 1985, by Senator J. Bennett Johnston, of Louisiana, and Senator James A. McClure, of Idaho, and referred to the Committee on Energy and Natural Resources. The Committee, in an open business session on June 12, 1985, by unanimous voice vote of 17 yeas and 0 nays, recommended that the Senate pass S. 1068, as amended. The bill was amended in accordance with recommendations from the Department of the Interior. S. 1068, as amended, was reported by the Committee on June 14, 1985, and passed the Senate on July, 9, 1985. On July 10, 1985, the bill, as amended, was referred jointly in the House to the Commit-

tees on Interior and Insular Affairs and Merchant Marine and Fisheries.

The companion House bill, H.R. 1983, was introduced on April 4, 1985, by Congressman Walter B. Jones of North Carolina and was referred jointly to the Committees on Interior and Insular Affairs and Merchant Marine and Fisheries. On April 16, 1985, H.R. 1983 was referred to the Subcommittee on Panama Canal/OCS of the Merchant Marine and Fisheries Committee. On February 6, 1986, the Subcommittee on Panama Canal/OCS held a markup on H.R. 1983. Subcommittee Chairman Mike Lowry of Washington offered an amendment to incorporate the changes to Section 606 of the OCSLAA as recommended by the Department of the Interior, and as previously agreed to in the Senate passed bill, S. 1068. Mr. Lowry's amendment was adopted by a voice vote, and the bill, as amended, was reported to the Full Committee on a voice vote.

A Full Committee markup was held on April 9, 1986, using S. 1068, as amended, as the markup vehicle in lieu of H.R. 1983. Except for technical and stylistic differences, H.R. 1983, as reported by the Subcommittee was similar to S. 1068, as amended and passed by the Senate. The only non-technical difference was that S. 1068, as amended, requires the Section 606 report to be provided to Congress on "June 30 of every odd-numbered year" whereas H.R. 1983 calls for a biennial report without reference to a specific date. In order to enhance the possibility of final passage in the House, S. 1068, as amended, was used as the markup vehicle. The Committee adopted S. 1068, as amended, by unanimous voice vote and ordered the bill reported favorably to the full House.

BACKGROUND AND NEED FOR THE LEGISLATION

Sections 15(1)(D), 601, and 606 were originally included in the OCSLAA due to Congressional concerns about oil and gas resource information and the potential for withholding of production of these resources. These reports are no longer necessary. S. 1068 contributes to Congressional efforts to eliminate unnecessary regulatory and reporting requirements.

Section 15(1)(D) of the OCSLA requires the Department of the Interior (DOI) to include in its annual report on leasing and production on the OCS "a list of all shut-in and flaring wells." Section 601 of the OCSLAA requires the Secretary of the Interior to provide an annual report to the Comptroller General on OCS oil and gas wells that are shut-in (not being produced) and natural gas wells that are being flared (gas allowed to burn off instead of being collected for pipelines). It also requires the Secretary of the Interior to indicate in his report why each such well is shut-in or flared and whether, with respect to each well, the Secretary will order its production or cessation of flaring. Within six months after receipt of the Secretary's report, the Comptroller General is to review and evaluate the methodology used by the Secretary in allowing wells to be shut-in or to flare natural gas and submit his findings and recommendations to the Congress.

Pursuant to sections 15(1)(D) and 601, DOI has submitted to the Congress seven reports on OCS shut-in and flaring wells followed by the Review of Methodology by the Comptroller General. In these

reports, DOI defines a shut-in well as "... a completion with zero production for a reporting month and which is capable of either producing or being restored to a producing status" and further indicates that "shut-in" is referred to in terms of completions instead of well bores because the well bore, which is merely the hole in the ground, may contain more than one completion. The situation may occur where the well bore can have one producing completion and one shut-in completion. Generally, the reports indicate: "... nearly every completion that is shut-in is in that status for reasons beyond the control of the lease operator." The primary reason for wells being shut-in is sand or water obstructing the flow of oil or gas.

DOI guidelines on the flaring of natural gas provides for two categories of flaring—short-term or small volume flaring or venting and approved extended flaring. Short-term flaring includes gas vapors released from low-pressure production vessels—those diverted to a flare line because of an emergency such as a compressor or other equipment failure for the relief of abnormal system pressures, and those caused by well purging and evaluation tests. Emergency flaring is prohibited without prior approval, for a continuous period in excess of 72 hours or for a cumulative period of 144 hours in any single month. Flaring during well purging and evaluation tests in excess of 24 hours is prohibited without prior approval. The flaring of gas-well gas is forbidden except for short term (24 hour or less) drillstream, cleanup, or other evaluation tests. The flaring of oil-well gas may be approved for periods of up to one year only after the operator has initiated positive action to eliminate the flaring or has submitted an evaluation showing that the project would not be economical if gas-gathering facilities were required. Applications requesting long-term flaring must provide for specific action to eliminate flaring, or adequate geologic, engineering, and economic data to conclude that without flaring the oil production would result in a greater loss than if flaring were allowed.

In accordance with the OCSLAA, the Comptroller General issued the seventh annual report to the Congress evaluating the methodology that the Department of the Interior uses in allowing offshore oil and gas wells to be shut-in or flared. The General Accounting Office (GAO) has recommended, as in previous reports, that Congress repeal legislation requiring Interior's annual report on shut-in and flaring wells and subsequent GAO annual evaluation of Interior's methodology. The GAO recommendation was based on its review of the reports and conclusions that Interior's reports serve no useful purpose, considering decontrol of domestic energy prices, and are expensive to prepare at a time when such resources could be better utilized. Eliminating DOI reporting requirements would not diminish Interior's responsibility under the amendments for administering mineral exploration and development and conserving the natural resources of the OCS. The Department of the Interior supports the GAO recommendation. DOI has stated its intention to continue monitoring OCS shut-in and flaring wells even if the annual reporting requirement is repealed.

Section 606 includes, among other items, requirements that the Department of the Interior conduct a continuing investigation of

the availability of oil and gas in the OCS, including a determination of the maximum attainable rate of production (MAR) of crude oil and natural gas from significant fields and whether the actual production has been less than the MAR including the reasons for the differences. Section 606 also requires an estimate of the discovered and undiscovered crude oil and natural gas resources of the OCS; the relationship of this information to the requirements of conservation, industry, commerce, and the national defense; and an independent evaluation of trade association procedures for estimating OCS reserves.

GAO has questioned the usefulness of maximum attainable rate (MAR) of production estimates under Section 606 and has suggested that such estimates are not a valid basis for Congress to use in estimating OCS production capability. GAO indicated the MAR is a hypothetical number of little practical value and further indicated that the Maximum Production Rate (MPR) is the only one that is useful to DOI in monitoring possible damage to individual oil and gas wells caused by excessive production. The MPR could also be used by DOI for reporting to the Congress on the total potential production from the OCS, should that information be desired during an energy supply emergency. The provision in Section 606, which requires an independent evaluation of trade procedures for estimating OCS reserves and production capacity, has already been fulfilled by the submission of the three required reports to Congress in the form letters from DOI dated September 19, 1979; August 19, 1980; and May 12, 1981.

SECTION-BY SECTION ANALYSIS

Section 1 of S. 1068 specifies that the short title for the bill shall be "OCS Paperwork and Reporting Act".

Section 2(a) repeals Section 15(1)(D) of the OCSLA which requires the Department of the Interior to include in its annual report on OCS leasing and production, "a list of all shut-in and flaring wells."

Section 2(b) repeals Section 601 of the OCSLAA. This section calls for the Secretary of the Interior to issue an annual report on the number of shut-in oil and gas wells and wells flaring natural gas on leases issued under the OCSLA. This report is submitted to the Comptroller General and indicates why each well is shut-in or flaring natural gas, and whether the Secretary intends to require production on the shut-in well or order cessation of flaring. Additionally, within six months of the Secretary's report, the Comptroller General is required to review and evaluate the methodology used by the Secretary in allowing the wells to be shut-in or to flare natural gas and submit the findings and recommendations to the Congress.

Subsection 2(c) amends Section 606 of the OCSLAA by deleting the seven subsections in existing law and replacing them with a single section that requires the Secretary of the Interior to carry out two activities: (1) conduct a continuing investigation to determine an estimate of the total discovered crude oil and natural gas reserves by fields (including proved and indicated reserves) and undiscovered crude oil and natural gas resources (including hypotheti-

cal and speculative resources) of the OCS; and (2) provide a biennial report to Congress on June 30 of every odd numbered year on the results of the investigation.

INFLATIONARY IMPACT STATEMENT

With respect to the requirements of clause (2)(1)(3) of rule XI of the Rules of the House of Representatives, the Committee estimates that the enactment of S. 1068, as amended, would have no inflationary impact upon the prices and costs in the operation of the national economy. Enactment of S. 1068, as amended, would result in a reduction of paperwork thereby effecting a reduction in costs for government and industry.

COMPLIANCE WITH HOUSE RULE XI

1. With respect to the requirements of clause (2)(1)(3)(A) of rule XI of the Rules of the House of Representatives, no oversight findings or recommendations on the subject of S. 1068 have been made by the Committee during the 99th Congress.

2. With respect to the requirements of clause (2)(1)(3)(B) of rule XI of the Rules of the House of Representatives and section 308(a) of the Congressional Budget Act of 1974, S. 1068 contains no new budget authority or tax expenditures.

3. With respect to the requirements of clause (2)(1)(3)(D) of rule XI of the Rules of the House of Representatives, the Committee has received no report from the Committee on Government Operations on the subject of S. 1068.

4. With respect to the requirements of clause (2)(1)(3)(C) of rule XI of the Rules of the House of Representatives, the Committee has received the following estimate of the cost of S. 1068 from the Director of the Congressional Budget Office:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, April 10, 1986.

Hon. WALTER B. JONES,
Chairman, Committee on Merchant Marine and Fisheries, U.S. House of Representatives, 1334 Longworth House Office Building, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has reviewed S. 1068, the OCS Paperwork and Reporting Act, as ordered reported by the House Committee on Merchant Marine and Fisheries, April 9, 1986.

The bill would repeal the requirement that the Secretary of the Interior provide an annual report to the Congress on shut-in and flaring wells. The bill would also narrow the scope of a biennial report on the availability of oil and gas on the Outer Continental Shelf. Based on information from the Minerals Management Service in the Department of the Interior, we estimate that these changes in reporting requirements would save about \$250,000 annually.

Enactment of this legislation would not affect the budgets of state or local governments.

If you wish further details on this estimate, we will be pleased to provide them.

With best wishes,
Sincerely,

EDWARD GRAMLICH
(For Rudolph G. Penner).

COST OF LEGISLATION

Clause 7(a) of the House of Representatives requires a statement of the estimated costs to the United States which would be incurred in carrying out S. 1068, as amended, as reported, in fiscal year 1986 and each of the following five fiscal years. However, under paragraph (d) of clause 7, the provisions of (a) do not apply when the Committee has received a timely report from the Congressional Budget Office.

DEPARTMENTAL REPORTS

As of the date of filing, the Committee received the following letter from the Department of the Interior on House companion bill H.R. 1983:

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, DC, February 4, 1986.

Hon. WALTER B. JONES,
Chairman, Committee on Merchant Marine and Fisheries,
House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: This responds to your request for our views on H.R. 1983, a bill "To eliminate unnecessary paperwork and reporting requirements contained in section 15(1) of the Outer Continental Shelf Lands Act (OCSLA) and sections 601 and 606 of the OCSLA Amendments of 1978 (OCSLAA)."

We support the enactment of H.R. 1983 if it is amended as suggested herein.

H.R. 1983 would eliminate two statutorily required reports from the Department of the Interior to the Congress. These reports include: A list of shut-in and flaring wells reports to the Congress and Comptroller General required by sections 15(1)(D) of the OCSLA and 601 OCSLAA, and a report on the investigations of the availability of oil and natural gas from the OCS required by section 606 of the OCSLAA.

This Department wholeheartedly supports deletion of the requirement that a list of shut-in flaring wells be contained in the Annual Report of the Outer Continental Shelf Oil and Gas Leasing and Production Program as well as the requirement that a similar report be sent to the Comptroller General. The General Accounting Office has recommended in several past reports that the shut-in and flaring wells reporting requirements be discontinued. The data is expensive to gather, and is better used to analyze shut-in well flaring trends and anomalies rather than as a tool to judge whether production is being withheld or gas is being flared unnecessarily, which was the original intent of Congress in requiring the report.

*Regarding section 606, we recommend that, instead of deleting it, it be amended to read as follows:

***Section 606. Investigation of reserves of oil and gas in the Outer Continental Shelf.

"The Secretary of the Interior shall conduct a continuing investigation to determine an estimate of the total discovered crude oil and natural gas reserves by fields (including proved and indicated reserves) and undiscovered crude oil and natural gas resources (including hypothetical and speculative resources) of the Outer Continental Shelf.

"The Secretary of the Interior shall provide a biennial report to Congress on June 30 of every odd numbered year on the results of such investigation."

This amendment would remove only portions of the section, rather than the entire section as would be done by H.R. 1983. Our specific concerns are with subsection (d) which itemizes specific information to be included in the continuing investigation conducted by the Secretary of the Interior on the availability of oil and natural gas on the Outer Continental Shelf as called for in 606(c), and the report to Congress required in 606(e). The Department agrees that (d)(1), which requires an investigation of the Maximum Attainable Rate (MAR) of production from significant fields; (d)(3), which requires an analysis of the relationship of such information to conservation, industry, commerce and national defense; and (d)(4) which requires an independent evaluation of trade procedures for estimating OCS reserves and production capacity, should be eliminated. The information required by these portions of the law are not the best available in determining maximum production rates. In addition, the General Accounting Office has suggested that MARs are not a valid basis for the Congress to use in their determination of OCS production to meet supply emergencies.

However, section 606(d)(2), which requires an estimate of discovered oil and natural gas reserves and undiscovered crude oil and natural gas resources, should remain. Reserve and resource estimates are an integral part of the preparation of the 5-Year Leasing Schedule as well as part of the preparation for individual OCS sales. Although the authority to carry out this activity will not be lost if section 606 is abolished, we believe that it is very important that the offshore leasing program continue to have the legislative mandate to carry out these activities. We therefore recommend the aforementioned amendment which would, in effect, combine section 606(c) and (d)(2). This amendment would continue to require the Secretary of the Interior to conduct an investigation which now would include only reserve and resource estimates. The language in 606(c), which provides that the data gathered and used in the investigation be "independently audited and verified," should be eliminated because the data in question is often proprietary.

We have no objection to the continuance of a biennial report to Congress solely on the results of the resource and reserve estimates. It will impose no additional workload or cost to the Department because the data to be used in the report is gathered for other purposes.

The Office of Management and Budget has advised that there is no objection to the presentation of this report from the standpoint of the Administration's program.

Sincerely,

JAMES E. CASON,
Deputy Assistant Secretary.

CHANGES IN EXISTING LAW

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill S. 1068, as ordered reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

OUTER CONTINENTAL SHELF LANDS ACT

Public Law 83-212 (67 Stat 462), as amended by Public Law 95-372 (92 Stat 648)

* * * * *

SEC. 15. ANNUAL REPORT BY SECRETARY TO CONGRESS.—Within six months after the end of each fiscal year, the Secretary shall submit to the President of the Senate and the Speaker of the House of Representatives the following reports:

(1) A report on the leasing and production program in the Outer Continental Shelf during such fiscal year, which shall include—

(A) a detailed accounting of all moneys received and expended;

(B) a detailed accounting of all explorations, exploratory drilling, leasing, development, and production activities;

(C) a summary of management, supervision, and enforcement activities; and

[(D) a list of all shut-in and flaring wells; and]

[(E)] (D) recommendations to the Congress (i) for improvements in management, safety, and amount of production from leasing and operations in the Outer Continental Shelf, and (ii) for resolution of jurisdictional conflicts or ambiguities.

(2) A report prepared after consultation with the Attorney General, with recommendations for promoting competition in the leasing of Outer Continental Shelf lands, which shall include any recommendations or findings by the Attorney General and any plans for implementing recommended administrative changes and drafts of any proposed legislation, and which shall contain—

(A) An evaluation of the competitive bidding systems permitted under the provisions of section 8 of this Act, and, if applicable, the reasons why a particular bidding system has not been utilized;

(B) an evaluation of alternative bidding systems not permitted under section 8 of this Act, and why such system of systems should or should not be utilized;

(C) an evaluation of the effectiveness of restrictions on joint bidding in promoting competition and, if applicable, any suggested administrative or legislative action on joint bidding;

(D) an evaluation of present measures and a description of any additional measures to encourage entry of new competitors; and

(E) an evaluation of present measures and a description of additional measures dealing with supplies of oil and gas to independent refiners and distributors.

OUTER CONTINENTAL SHELF LANDS ACT AMENDMENT OF 1978

Public Law 95-372 (92 Stat. 632)

TITLE VI—MISCELLANEOUS PROVISIONS

[REVIEW OF SHUT-IN OR FLARING WELLS

[Sec. 601. (a) In a report submitted within six months after the date of enactment of this Act, and his annual report thereafter, the Secretary of the Interior shall list all shut-in oil and gas wells and wells flaring natural gas on leases issued under the Outer Continental Shelf Lands Act. Each such report shall be submitted to the Comptroller General and shall indicate why each well is shut-in or flaring natural gas, and whether the Secretary intends to require production on such a shut-in well or order cessation flaring.

[(b) Within six months after receipt of the Secretary's report, the Comptroller General shall review and evaluate the methodology used by the Secretary in allowing the wells to be shut-in or to flare natural gas and submit his findings and recommendations to the Congress.]

REVIEW AND REVISION OF ROYALTY PAYMENTS

Sec. 602. As soon as feasible and no later than ninety days after the date of enactment of this Act, and annually thereafter, the Secretary of the Interior shall submit a report or reports to the Congress describing the extent, during the two-year period preceding such report, of delinquent royalty accounts under leases issued under any Act which regulates the development of oil and gas on Federal lands, and what new auditing, post-auditing, and accounting procedures have been adopted to assure accurate and timely payment of royalties and net profit shares. Such reports or reports shall include any recommendations for corrective action which the Secretary of the Interior determines to be appropriate.

NATURAL GAS DISTRIBUTION

Sec. 603. (a) The purpose of this section is to encourage expanded participation by local distribution companies in acquisition of leases and development of natural gas resources on the Outer Continental Shelf by facilitating the transportation in interstate com-

merce of natural gas which is produced from a lease located on the Outer Continental Shelf and owned, in whole or in part, by a local distribution company, from such lease to the service area of such local distribution company.

(b) The Federal Energy Regulatory Commission shall, after opportunity for presentation of written and oral views, promulgate and publish in the Federal Register a statement of Commission policy which carries out the purpose of this section and sets forth the standards under which the Commission will consider applications for, and, as appropriate, issue certificates of public convenience and necessity pursuant to section 7 of the Natural Gas Act for the transportation in interstate commerce of natural gas, which is produced from a lease located on the Outer Continental Shelf and owned, in whole or in part, by a local distribution company, from such lease to the service area of such local distribution company. Such statement of policy shall specify the criteria, limitations, or requirements the Commission will apply in determining—

(1) whether the application of any local distribution company qualifies for consideration under the statement of policy; and

(2) whether the public convenience and necessity will be served by the issuance of the requested certificate of transportation.

Such statement of policy shall also set forth the terms or limitations on which the Commission may condition, pursuant to section 7 of the Natural Gas Act, the issuance of a certificate of transportation under such statement of policy. To the maximum extent practicable, such statement shall be promulgated and published within one year after the date of enactment of this section.

(c) For purposes of this section, the term—

(1) “local distribution company” means any person—

(A) engaged in the distribution of natural gas at retail, including any subsidiary or affiliate thereof engaged in the exploration and production of natural gas; and

(B) regulated, or operated as a public utility, by a State or local government or agency thereof;

(2) “interstate commerce” shall have the same meaning as such term has under section 2(7) of the Natural Gas Act; and

(3) “Commission” means the Federal Energy Regulatory Commission.

ANTIDISCRIMINATORY PROVISIONS

SEC. 604. Each agency or department given responsibility for the promulgation or enforcement of regulations under this Act or the Outer Continental Shelf Lands Act shall take such affirmative action as deemed necessary to prohibit all unlawful employment practices and to assure that no person shall, on the grounds of race, creed, color, national origin, or sex, be excluded from receiving or participating in any activity, sale, or employment, conducted pursuant to the provisions of this Act or the Outer Continental Shelf Lands Act. The agency or department shall promulgate such rules as it deems necessary to carry out the purposes of this section, and any rules promulgated under this section, whether through agency and department provisions or rules, shall be sim-

lar to those established and in effect under title VI and title VII of the Civil Rights Act of 1964.

SUNSHINE IN GOVERNMENT

Sec. 605. (a) Each officer or employee of the Department of the Interior who—

(1) performs any function or duty under this Act or the Outer Continental Shelf Lands Act, as amended by this Act; and

(2) has any known financial interest in any person who (A) applies for or receives any permit or lease under, or (B) is otherwise subject to the provisions of this Act or the Outer Continental Shelf Lands Act,

shall, beginning on February 1, 1979, annually file with the Secretary of the Interior a written statement concerning all such interests held by such officer or employee during the preceeding calendar year. Such statement shall be available to the public.

(b) The Secretary of the Interior shall—

(1) within ninety days after the date of enactment of this Act—

(A) define the term "known financial interest" for purposes of subsection (a) of this section; and

(B) establish the methods by which the requirement to file written statements specified in subsection (a) of this section will be monitored and enforced, including appropriate provisions for the filing by such officers and employees of such statements and the review by the Secretary of such statements; and

(2) report to the Congress on June 1 of each calendar year with respect to such disclosures and the actions taken in regard thereto during the preceding calendar year.

(c) In the rules prescribed in subsection (b) of this section, the Secretary may identify specific positions within the Department of the Interior which are of a nonregulatory or nonpolicymaking nature and provide that officers or employees occupying such positions shall be exempt from the requirements of this section.

(d) Any officer or employee who is subject to, and knowingly violates, this section shall be fined not more than \$2,500 or imprisoned not more than one year, or both.

[INVESTIGATION OF AVAILABILITY OF OIL AND NATURAL GAS FROM THE OUTER CONTINENTAL SHELF

[Sec. 606. (a) The Congress hereby finds that—

[(1) there is a serious lack of adequate basic energy information available to the Congress and the Secretary of the Interior with respect to the availability of oil and natural gas from the Outer Continental Shelf;

[(2) there is currently an urgent need for such information;

[(3) the existing collection of information by Federal departments and agencies relevant to the determination of the availability of such oil and natural gas is uncoordinated, is jurisdictionally limited in scope, and relies too heavily on unverified information from industry sources;

[(4) adequate, reliable, and comprehensive information with respect to the availability of such oil and natural gas is essential to the national security of the United States; and

[(5) this lack of adequate reserve data requires a reexamination of past data as well as the acquisition of adequate current data.

[(b) The purpose of this section is to enable the Secretary of the Interior and the Congress to gain the best possible knowledge of the status of Outer Continental Shelf oil and natural gas reserves, resources, productive capacity, and production available to meet current and future energy supply emergencies, to gain accurate knowledge of the potential quantity of oil and natural gas resources which could be made available to meet such emergencies, and to aid in establishing energy pricing and conservation policies.

[(c) The Secretary of the Interior shall conduct a continuing investigation, based on data and information which the determines has been adequately and independently audited and verified, for the purpose of determining the availability of all oil and natural gas produced or located on the Outer Continental Shelf.

[(d) The investigation conducted pursuant to this section shall include, among other items—

[(1)(A) a determination of the maximum attainable rate of production (MAR) of crude oil and natural gas from significant fields on the Outer Continental Shelf; and

[(B) an analysis of whether the actual production has been less than the MAR and, if so, the reasons for the differences;

[(2) an estimate of the total discovered crude oil and natural gas reserves by fields (including proved and indicated reserves) and undiscovered crude oil and natural gas resources (including hypothetical and speculative resources) of the Outer Continental Shelf;

[(3) the relationship of any and all such information to the requirements of conservation, industry, commerce, and the national defense; and

[(4) an independent evaluation of trade association procedures for estimating Outer Continental Shelf reserves, ultimate recovery, and productive capacity for years in which trade associations made such estimates. In order to provide maximum opportunity for evaluation and continuity, the Secretary shall obtain all the available data and other records, including a description of the methodology and estimating procedures, which the trade associations used in compiling their data with respect to the reserves.

[(e) The Secretary shall, not later than one year after the date of enactment of this section, submit an initial report to the Congress. The initial report shall include cost estimates for the separate components of the continuing investigation and a time schedule for meeting all of its specifications. The schedule shall provide for producing all the information required in subsections (d)(1)(A), (d)(2), and (d)(3) of this section on the day following the first complete calendar year after such date of enactment, and every two years thereafter. The Secretary shall make separate reports on the data acquired pursuant to subsection (d)(4) of this section as follows:

[(1) Within six months after the date of enactment of this section, a report on the acquisition and details of trade association data and information.

[(2) Within twelve months after submission of the report required by subsection (e)(1) of this section, and evaluation of the trade association materials.

[(3) Within twelve months after submission of the report required by paragraph (2) of this subsection, a report on the relationship between trade association data and the new data collected under this section.

[(f) The Secretary of the Interior shall consult with the Federal Trade Commission regarding categories of information acquired pursuant to this section. Notwithstanding any other provision of law, the Secretary of the Interior shall, upon request of the Federal Trade Commission, make available to such Commission any information acquired under this section.

[(g) For purposes of this section, the term—

[(1) "maximum attainable rate of production" or "MAR" means the maximum rate of production of crude oil and natural gas which may be produced under actual operating conditions without loss of ultimate recovery of crude oil and natural gas; and

[(2) "Outer Continental Shelf" has the meaning given such term in section 2(a) of the Outer Continental Shelf Lands Act.]

INVESTIGATION OF RESERVES OF OIL AND GAS IN OUTER CONTINENTAL SHELF

SEC. 606. The Secretary of the Interior shall conduct a continuing investigation to determine an estimate of the total discovered crude oil and natural gas reserves by fields (including proved and indicated reserves) and undiscovered crude oil and natural gas resources (including hypothetical and speculative resources) of the Outer Continental Shelf.

The Secretary of the Interior shall provide a biennial report to Congress on June 30 of every odd numbered year on the results of such investigation.

RECOMMENDATIONS FOR TRAINING PROGRAM

SEC. 607. Not later than ninety days after the date of enactment of this Act, the Secretary of the Interior, in consultation with the Secretary of the Department in which the Coast Guard is operating, shall prepare and submit to the Congress a report which sets forth the recommendations of the Secretary for a program to assure that any individual—

(1) who is employed on any artificial island, installation, or other device located on the Outer Continental Shelf; and

(2) who, as part of such employment, operates, or supervises the operation of pollution-prevention equipment, is properly trained to operate, or supervise the operation of, such equipment, as the case may be.

RELATIONSHIP TO EXISTING LAW

SEC. 608. (a) Except as otherwise expressly provided in this Act, nothing in this Act shall be construed to amend, modify, or repeal any provision of the Coastal Zone Management Act of 1972, the National Environmental Policy Act of 1969, the Mining and Mineral Policy Act of 1970, or any other Act.

(b) Nothing in this Act or any amendment made by this Act to the Outer Continental Shelf Lands Act (43 U.S.C. 1331 et seq.) or any other Act shall be construed to affect or modify the provisions of the Department of Energy Organization Act of (42 U.S.C. 7101 et seq.) which provide for the transferring and vesting of functions to and in the Secretary of Energy or any component of the Department of Energy.

* * * * *

